

SUBCOMMITTEE NO. 1 on Education



Subcommittee No. 1
Chair, Jack Scott
Member, Bob Margett
Member, Joe Simitian

Tuesday, May 22, 2007
2:00 p.m.
Room 113, State Capitol
K-12 Agenda – Part C

<u>Item</u>	<u>Department</u>	<u>Page</u>
6110	Department of Education	
Issue 1	Proposition 98 – Transportation Funding Shift	Page 1
Issue 2	Enrollment Adjustments	Page 3
Issue 3	Cost-of-Living Adjustments (COLAs)	Page 4
Issue 4	Federal - Title I Programs	Page 5
Issue 5	Federal Funds – Title I School Improvement Set-Aside	Page 7
Issue 6	Federal Funds – Title II Improving Teacher Quality	Page 8
Issue 7	Federal Funds – Title III English Learner & Migrant Education	Page 10
Issue 8	Federal Funds – Reading First	Page 11
Issue 9	Federal Funds – Title VI Student Assessments	Page 12
Issue 10	Federal Funds – Special Education	Page 13
Issue 11	Economic Impact Aid/Charter Schools Funding Shift	Page 15
Issue 12	K-12 High Speed Internet	Page 16

Issue 13	Various State Operations	Page 17
Issue 14	Other Issues	Page 19
Issue 15	Fresh Start Program – Reappropriations	Page 21
Issue 16	Proposition 98 Reversions	Page 22
Issue 17	Legislative Studies	Page 23

6360 Commission on Teacher Credentialing

Issue 18	Various Items	Page 24
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1. Proposition 98 - Transportation Funding Shift

Item	Issue	Description	Staff Recommendation	BBL/TB
Staff Note: The recommendations below are intended to: (1) reject the Governor's proposals to shift funding for the Home-to-School Transportation to the Public Transportation Account; (2) restore Proposition 98 funding for Home-to School Transportation, thereby eliminating any rebenching of the Proposition 98 minimum guarantee; and (3) reject budget control language that would allow the Public Transportation Account to offset the General Fund for purposes of funding Home-to-School Transportation in 2006-07 and 2007-08.				
6110-111-0046 & 6110-613-0046	April Letter. Home-to-School Transportation. Local Assistance. Public Transportation Account Funding. (Issues 900 & 901)	Eliminates Public Transportation Account funding of \$626.8 million for the Home-to-School Transportation program and replaces it with \$626.8 million in funding from Proposition 98 General Fund in 2007-08. Restores the Proposition 98 minimum guarantee.	Approve April Letter	
Budget Control Section 24.80	April Letter. Home to School Transportation Reimbursements to the General Fund from the Public Transportation Account. (Issue 902)	(1) Adds new control section authorizing the Director of Finance to reimburse General Fund expenditures for the Home to School Transportation program from the Public Transportation Account in 2007-08. (2) Reflects reimbursements of \$626.8 million from the Public Transportation Account to the General Fund for the purpose of offsetting the cost of the Home to School Transportation program as proposed by the new budget control section in 2007-08.	Reject April Letter	

Budget Control Section 24.80	May Revise. Home to School Transportation Reimbursements to the General Fund from the Public Transportation Account. (Issue 906)	<p>(1) Increases by \$5.5 million reimbursements from the Public Transportation Account to the General Fund for the purpose of offsetting the cost of the Home to School Transportation program in 2007-08, as proposed by the new budget control section. This reflects two adjustments for the Home-to - School Transportation program -- a \$3.0 million increase for COLA and the addition of \$2.6 million in expenditures for the State Special Schools in 2007-08.</p> <p>(2) Allows an additional \$200 million in General Fund reimbursements for Home-to-School Transportation in 2006-07.</p>	Reject May Revise.	
6110-008-0001& Budget Control Section 24.80	May Revise. Home to School Transportation Funding for State Special Schools & General Fund Reimbursements from the Public Transportation Account. (Issue 960)	<p>(1) Augment funding for Home to School Transportation at the State Special Schools by \$100,000 to reflect increased busing contract costs. This brings total program funds for the schools to \$2.6 million in 2007-08.</p> <p>(2) Authorizes reimbursements of \$2.6 million from the Public Transportation Account to the General Fund for the purpose of offsetting the cost of the Home to School Transportation program for the State Special Schools proposed by the new budget control section.</p>	Reject May Revise.	

2. Enrollment Adjustments

Item	Issue	Description	Staff Recommendation	BBL/TB
Various Items	May Revise: Enrollment Adjustments for Various K-12 Education Programs. Local Assistance. General Fund. (Issue 903)	Provides a total funding decrease of \$370.0 million in 2007-08 to reflect lower estimated student enrollments, as measured by average daily attendance. This amount reflects a reduction in the growth rate for revenue limit and categorical programs of \$293.3 million from the Governor's January Budget to reflect lower estimates of student enrollment in 2007-08. The Governor's January budget estimated a growth rate of -0.39 percent growth rate; the May Revisions estimates growth of -0.48 percent. The May Revise provides negative growth of 0.48 percent for most revenue limit and categorical programs and some positive growth for categorical programs with other statutory growth rates. Total average daily attendance (ADA) is estimated to be 5,932,000 in 2007-08, a drop of 28,000 from 2006-07.	Approve May Revision.	

3. Cost-of-Living Increases (COLAs)

Item	Issue	Description	Staff Recommendation	BBL/TB
Various Items	May Revise: COLAs for Various Proposition 98 Categorical Programs. Local Assistance. General Fund. (Issue 905)	Provides \$2.1 billion in total funding K-12 Cost-of-Living-Adjustment (COLA) for revenue limit and categorical programs in 2007-08. This amount reflects an increase of \$221.6 million over the Governor's January Budget for various education programs as a result of an increase in the COLA rate from 4.04 to 4.53 percent per May Revise estimates for 2007-08.	Approve May Revise	
6110-202- 0001	May Revise. COLA for Child and Adult Care Food Program. Local Assistance. General Fund-Non-98. (Issue 798)	Provides an increase of \$57,000 to reflect an increase in COLA rate from 4.04 to 4.53 percent per May Revise estimates.	Approve May Revise	
6110-108-0001	May Revise. Growth & COLA for Deferred Maintenance Program. Local Assistance. General Fund. (Issue 180)	Provides an increase of \$1.1 million to the Deferred Maintenance program to reflect May Revise growth and COLA factors.	Approve May Revise	

4. Federal Funds - Various Title I Programs

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-136-0890	April Letter. Title I Basic Grants - Fund Adjustments. Local Assistance. Federal Funds. (Issues 647 & 648)	Requests a net decrease of \$95.6 million for Title I programs. This includes a decrease of \$107.6 million to align the Title I Basic Program appropriation with the anticipated federal grant. This decrease is offset by an increase of \$12.0 million to reflect the availability of one-time carryover funds. The Title I Basic Program provides funding to local educational agencies with socio-economically disadvantaged student populations. The purpose is to improve the academic achievement of students who are failing or at risk of failing academic standards.	Approve April Letter	
6110-136-0890	April Letter. McKinney-Vento Homeless Education - Fund Adjustments. Local Assistance. Federal Funds. (Issue 644)	Requests decrease of \$598,000 to align the McKinney-Vento Homeless Children Education Program appropriation with the anticipated federal grant. The program facilitates the enrollment, attendance, and success in school of homeless children.	Approve April Letter	

6110-136-0890	April Letter. Even Start - Fund Adjustments. Local Assistance. Federal Funds. (Issue 085)	Requests an increase of \$5.5 million. This adjustment includes an increase of \$467,000 to align the Title I Even Start Program appropriation with the anticipated federal grant and an increase of \$5.0 million to reflect the availability of one-time carryover funds. The Even Start Program provides funds to improve the educational opportunities of low-income families, by integrating early childhood education and parenting education into a unified literacy program.	Approve April Letter	
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5. Federal Funds - Title I School Improvement Set-Aside Funds.

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-134-0890	May Revise. Title I School Improvement Set-Aside Funds -- Carryover Funds and Language. Local Assistance. Federal Funds. (Issue 850)	Provides \$27.1 million in one-time Title I School Improvement carryover funds. The Administration proposes that these funds be expended according to a plan developed by CDE and subject to DOF approval and notification of the Legislature.	Approve \$27.1 million in additional carryover funds for school improvement subject to a plan developed by LAO in consultation with CDE and DOF. Of this amount, set-aside \$4.0 million for a Alternative Schools Accountability. (To Conference Committee)	

6. Federal Funds - Title II Improving Teacher Quality Grants

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0890	April Finance Letter: Title II Funds to Backfill Title V Positions. State Operations. Federal Funds. (Issue 081)	Requests that 4.0 positions and \$690,000 currently funded by the federal Title V program be shifted to federal Title II, Part A funds. These positions will support continued efforts to provide professional development activities for administrators, principals, and teachers. As proposed, these positions will focus efforts on assisting local educational agencies to meet the requirements for Highly Qualified Teachers, pursuant to the Federal No Child Left Behind Act of 2001.	Reject April Letter.	
6110-001-0890	May Revise. Title II Funds to Backfill Title V Positions. (Issue 093)	Amends April Letter proposal to require that the 4.0 positions and \$690,000 shifted from the federal Title V program to the Title II program give priority to assisting LEAs in meeting the requirements for Highly Qualified Teachers pursuant to NCLB.	Reject May Letter.	

6110-001-0890	CDE Proposal. Title II Funds for Compliance Monitoring. State Operations. Federal Funds.	Proposes \$1.1 million and 8 positions for Compliance, Monitoring, Interventions, and Sanctions (CMIS). (An estimated \$5.4 million in Title II funds is set-aside for CALTIDES development in 20008-09 and 2009-10.) These positions and expenses are needed so that California can work toward compliance with the highly qualified teacher provisions of NCLB. The LAO recommends BBL requiring CDE to report on the number of districts it is working with, components of district plans, longitudinal data on the number/percent of highly qualified teachers, and breakdown for low- and high- poverty schools.	Approve \$1.1 million and 8 positions for new CMIS system. Adopt LAO BBL.	
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7. Federal Funds - Title III English Learner & Migrant Education

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0890	April Finance Letter: Translation of Parental Notification Documents. State Operations. Federal Funds. (Issue 640)	Requests increase of \$500,000 to reflect the availability of \$50,000 federal Title III one-time carryover funds from 2005-06 and \$450,000 from 2006-07. The carryover is a result of a delay in securing contracts with vendors to translate parental notification documents to languages other than English. These funds will be used to maintain the continuity of the SDE's translation of documents and make them available to school districts through an existing document clearinghouse.	Approve April Letter.	
6110-001-0890	Legislative Proposal. English Learner Monitoring and Technical Assistance for Alternative Schools and Court Schools. State Operations. Federal Funds.	\$1.2 million for CDE monitoring and technical assistance of LEAs serving English Learners, including alternative education programs, county court schools, and DJJ schools over three year period. The focus of monitoring and technical assistance is to assure access to assessments and services for improving the performance of English learners.	Approve Legislative Proposal.	BBL

8. Federal Funds - Reading First

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-126-0890	April Finance Letter: Reading First Federal Funds Adjustment. Local Assistance. Federal Funds. (Issue 084)	Requests a decrease of \$9.6 million to align appropriation authority for the Reading First Program with the anticipated federal grant award amount. The Reading First Program provides grants to use scientifically based reading programs to improve reading for students in kindergarten through grade 3.	(1) Approve federal funds decrease of \$9.6 million. (2) Provide \$34.9 million for up to 90 percent of unfunded eligible schools in currently funded districts. Require newly funded schools to fund and serve K-12 special education teachers, per federal law. (3) Adopt LAO language. [To Conference Committee]	LAO BBL

9. Federal Title VI Funding - Student Assessments

Issue	Description	Staff Recommendation	BBL/TB
6110-113-0890	April Letter. CAHSEE Evaluation. Local Assistance. Federal Funds. (Issue 842)	Approve April Letter	
6110-113-0890	April Letter. CAHSEE Evaluation Adjustment. Local Assistance. Federal Funds. (Issue 843)	Approve April Letter	

10. Federal Funds - Special Education

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0001 & 6110-001-0890	May Revise. Special Education Dispute Resolution Interagency Agreement. State Operations. Federal Funds. (Issue 954)	Requests increase of \$1.6 million from one-time federal carryover funds for the interagency agreement with Office of Administrative Hearings for special education dispute resolution . As proposed, funds will address anticipated caseload and previously approved employee compensation adjustments for special education dispute resolution services, including mediation and fair hearing services, in 2007-08. The Office of Administrative Hearings has advised the Administration that backlog of cases has been virtually resolved and that some modest increase in workload could materialize in 2007-08. The Administration proposes Budget Bill language to monitor the program.	Reject May Revise proposal and redirect \$1.6 million, as follows: (1) Approve \$450,000 increase (five percent) to Dispute Resolution contract for cost-of-living adjustments. (2) Approve \$100,000 and BBL for an independent evaluation for the Due Process contract to assess workload and service efficiencies, guide annual increases in contract funding, and assess service levels, access, and outcomes during the transition of contract providers. (3) Approve \$1,050,000 over three years for Focused Monitoring and Technical Assistance for alternative schools, county court schools, and DJJ schools.	BBL

6110-161-0890	May Revise. Federal Funds Alignment & One-Time Carryover. Local Assistance. Federal Funds. (Issue 952)	Requests an increase of \$7.6 million for special education local assistance, which consists of a \$6.7 million increase in federal funds and \$900,000 in one-time carryover of funds previously available for state-level activities.	(1) Approve \$6,718,000 in federal funds adjustment for new federal grant. (2) Retain \$900,000 in one-time carryover funds for state-level activities for CDE base programs.	BBL
6110-161-0001	May Revise. Proposition 98 . Special Education Growth and Local Revenue Adjustments. Local Assistance. (Issues 950 & 980)	(1) Provides an additional \$35.5 million to the special education base to reflect an increase in current year enrollments from the level previously estimated. (2) Provides an increase of \$2.6 million in General Fund revenues to reflect an estimated decrease in local property tax revenues.	Approve May Revise.	

11. Economic Impact Aid/Charter Schools

	Issue	Description	Staff Recommendation	BBL/TB
6110-128-0001	May Revise. Economic Impact Aid to Charter School Categorical Block Grant Fund Shift. Local Assistance. General Fund. (Issue 664)	Requests a reduction of \$22.2 million from Economic Impact Aid to reflect a permanent shift of funds to the Charter School Categorical Block Grant for the purpose of funding in-lieu Economic Impact Aid (EYE) for charter schools.	Approve May Revise.	
6110-211-0001	May Revise. Economic Impact Aid to Charter School Categorical Block Grant Funding Shift. Local Assistance. General Fund. (Issue 570)	Requests a net increase of \$14.8 million to reflect a transfer of \$22. 2 million from the EIA program to fund EIA eligible pupils in charter schools offset by a reduction of \$7.4 million for baseline adjustments pursuant to Chapter 359 of the Statutes of 2005.	Approve May Revise.	

12. High Speed Internet

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-xxx-0001	LAO Proposal. K-12 High Speed Internet Network. Language to Increase Protection of State's Interests. Local Assistance. General Fund.	Add budget control language to further protect state's interests by providing additional accountability measures enacted for the K-12 High Speed Network to the higher education systems.	Approve LAO Language	LAO BBL

13. Various State Operations

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0001	Legislative Proposal. Scoring of Separate Budget Item for State Board of Education. State Operations. General Fund -Non-98.	The Subcommittee voted to restore funding of \$ 1.5 million and 9.2 positions for the State Board of Education in 2007-08. The Subcommittee also voted to create a separate budget item within CDE for the State Board to improve transparency. However, the Subcommittee left open how to score that action. <u>Staff recommends</u> establishing a separate budget item for the State Board within the CDE budget. In making this budget bill adjustment, staff recommends moving the funding in Schedule (5) and the language from Provision 1 into a new budget item for the State Board of Education.	Approve staff recommendation.	BBL
6110-001-0001	May Revise: District Reorganization Environmental Impact Report. State Operations. Reimbursements. (Issue 986)	Increases the reimbursement authority for CDE by \$290,000 to cover the costs of preparing an Environmental Impact Report regarding the formation of the Wiseburn Unified School District.	Approve May Revise.	

6110-001-0001	Legislative Proposal: Establish Coordinator for Incarcerated Youth. State Operations. General Fund - Non-98.	Provide \$113,000 and 1.0 permanent position to coordinate education programs for incarcerated youth. Require CDE to prepare an annual report describing youth served in correctional settings and the educationl performance of these youth.	Approve proposal.	
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14. Other Issues

Item	Issue	Description	Staff Recommendation	BBL/TB
Control Section 12.32	May Revise. Proposition 98: K-12 / Community Colleges Split. (Issue 949)	Revises Control Section 12.32, which details the expenditure of Proposition 98 funds by K-12 school districts, community college districts, and other state agencies. It is requested that subdivision (b) of Control Section 12.32 be amended to reflect the total appropriations proposed through the May Revision:	Conform Control Section 12. 32 to final actions of Subcommittee.	
6110-265-0001	May Revise. Arts and Music Block Grant. Language Change. Local Assistance. General Fund. (Issue 011)	It is requested that language be amended to ensure that all schools receive a portion of the \$109.2 million designated for enhancing art and music programs. It was the Administration's intent that the Budget Act of 2006 provide additional funding for all schools. According to the Administration, not all schools received an allocation.	(1) Approve May Revise to allow funds to be distributed to all schools on an equal amount per pupil, but retain provisions for school site minimums. (2) Approve additional reporting language for program.	BBL

6110-244-0001	May Revise. BTSA Program. Language Changes. Local Assistance. General Fund. (Issue 090)	Adds provisional language to ensure that funding made available for the BTSA program through the Teacher Credentialing Block Grant is only used for teachers in their first and second year of service, pursuant to current law.	Approve May Revise.	BBL
6110-107-0001	May Revise. Fiscal Crisis and Management Assistance Team. Fiscal Solvency Plans. Language Change. Local Assistance. (Issue 985)	Changes the provisions of current law to establish a deadline of June 30, 2009 , by which districts and charter schools must complete their fiscal solvency plans to be eligible for the incentive funds provided in 2006-07. Clarifies that county office of education review can take place during any phase of the budget review process, including the interim reporting period. The deadline is intended to ensure that districts and charter schools develop these critical plans in a timely manner and that the funds are fully expended prior to the expiration of the appropriation.	Approve May Revise.	
6110-107-0001	Legislative Proposal. Fiscal Crisis and Management Assistance Team. Annual Reports for Districts with Emergency Loans. Local Assistance. General Fund.	Provide augmentation of \$385,000 to FCMAT for preparation of annual reports for school districts receiving emergency loans. This augmentation includes: \$150,000 for Oakland Unified; \$125,000 for Vallejo Unified; and \$110,000 for West Fresno Unified.	Approve Legislative Proposal.	

15. California Fresh Start Program - Reappropriations

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-492	May Revise: Reappropriation - California Fresh Start Pilot Program. State Operations. General Fund - Non-98. (Issue 784)	Reappropriates the unexpended balance of state operations funds appropriated in 2006-07 for processing California Fresh Start Pilot Program reimbursement claims. The 2006-07 budget appropriated \$174,000 and one limited-term position for this purpose. This action will allow CDE to continue processing reimbursements claims until December 31, 2008, which is after the Child Nutrition Information and Payment System is implemented in fall of 2008.	Approve May Revision.	
6110-486	Governor's January Budget. Reappropriation - California Fresh Start Pilot Program. Local Assistance. General Fund.	Reappropriates the unexpended balance of local assistance funds in 2005-06 for processing California Fresh Start Pilot Program reimbursement claims. CDE estimates \$3-4 million will be available for reappropriation in 2007-08.	Approve Governor's Budget	

16. Proposition 98 Reversions

	Issue	Description	Staff Recommendation	BBL/TB
6110-495	May Revise. Proposition 98 Reversions. Various Programs. Local Assistance. General Fund. (Issues 800 & 801)	Provides various amendments and additions to the list of Proposition 98 reversions in the budget bill to reflect latest figures available.	Approve May Revise, with changes to conform to Subcommittee actions.	

17. Legislative Study Language

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0001	Legislative Proposal. Reporting Requirements for Student Complaints . State Operations. Non-98 General Fund.	Add budget bill language to require reporting language to reflecting activity levels and outcomes of student civil rights complaints filed with CDE through the uniform civil rights complaints procedure.	Approve proposed reporting language.	BBL
6110-136-0890	Legislative Proposal. Study to Identify Methods for Improving Poverty Measurements. State Operations. Federal Funds.	Proposes \$150,000 from one-time Title I Set-Aside funds for a study to identify options for improving indicators of student poverty and socio-economic status.	Approve funding and LAO language.	BBL

18. Commission on Teacher Credentialing

Issue		Description	Staff Recommendation	BBL/TB
6360	Governor's Budget. Continue Efforts/Progress in Reducing Credential Processing Time.	Continues position authority provided in the 2006-07 budget to reduce credential processing time and backlogs. Specifically, the 2006-07 budget converted 4.0 high level positions in the Professional Services Division into 7.0 technical positions in the Certification, Assignment and Waivers Division for this purpose. The Governor proposes to continue this authority for one additional year – until June 30, 2008.	Approve Governor's Budget	
6360	Governor's Budget. Continue Support for Teacher Data Development. State Operations. Federal Funds.	The Governor's Budget provides \$1.1 million in one-time federal Title II funds to continue development of the California Longitudinal Teacher Integrated Data Education System (CALTIDES) in 2007-08. Of this total, the Governor provides \$248,000 for 2.5 limited-term positions and other expenses to CTC and \$894,000 for one limited-term position and other expenses to the California Department of Education (CDE) for development of CALTIDES.	Approve Governor's Budget	

6360	Governor's Budget. Continue Support for the Teacher Performance Assessment. State Operations, Test Development Administration Account.	Provides \$237,000 for 2.0 (two-year) positions and other expenses to support development and implementation administration of the Teacher Performance Assessment pursuant to SB 1209.	Approve Governor's Budget	
6360	April Letter: Increased Support for CTC Accreditation Reforms for Teacher Preparation Programs. (Issue 091) State Operations, Teacher Credentials Fund.	Proposes \$227,000 and 2.0 permanent positions to support implementation of CTC's revised accreditation system for teacher preparation programs.	Approve April Letter	
6360	April Letter: Increased Support for CTC Credentialing Reforms. (Issue 091) State Operations, Teacher Credentials Fund.	Proposes \$113,000 and 1.0 limited-term position to support review and revision of the Special Education Credential, the Reading and Language Arts Specialist Credential, the Reading Certificate, the Designated Subjects Credential for Career and Vocational Education, and the revision of the standards related to intern and induction programs.	Approve April Letter	
6360-495	May Revise. Proposition 98 Reversions for Intern and Paraprofessional Teacher Training Programs. Local Assistance. General Fund. (Issues 095 & 096)	Adds the following amounts to the Proposition 98 Reversion Account in order to reflect the level of savings at May Revise: \$7.4 million for the Alternative Certification (Intern) Program and \$1.6 million for the Paraprofessional Teacher Training Program.	Approve May Revise.	